

State of California

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Legislative Change No.

10-15

Bill Number: AB 1662 Author: Portantino, et al. Chapter Number: **10-447**

Laws Affecting Franchise Tax Board: Sections 17207.6 and 24347.9 of the Revenue and Taxation Code

Date Filed with the Secretary of State: September 29, 2010

SUBJECT: Disaster Loss Deduction/Excess Loss Carryover/August 2009 Los Angeles & Monterey, Placer, and July 2010 Kern County Wildfires & January 2010 Calaveras, Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Francisco, & Siskiyou County Winter Storms

Assembly Bill 1662 (Portantino, et al), as enacted on September 29, 2010, made the following changes to laws impacting the Franchise Tax Board:

Sections 17207.6 and 24347.9 of the Revenue and Taxation Code are added.

This act adds the following events to the current list of specified disasters under the personal income and corporation tax laws:

- The wildfires in Los Angeles and Monterey Counties that commenced in August 2009;
- The wildfires in Placer County that commenced in August 2009;
- The winter storms in Calaveras, Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Francisco, and Siskiyou Counties that commenced in January 2010; and
- The wildfires in Kern County that commenced in July 2010.

If not authorized under federal law as applicable for California purposes, this act allows a taxpayer to elect to claim the loss either in the year the loss occurred or in the year preceding the loss. If a taxpayer elects to deduct the loss in the preceding year, this act also allows an extended period to file an amended return for the prior year. This act also allows special carry forward treatment for up to 15 taxable years for excess losses incurred as a result of the disasters.

This act is an urgency measure and is effective and operative immediately upon enactment.

This act will not require any reports by the department to the Legislature.

Assistant Bureau Director

Patrice Gau-Johnson

Date

10/25/10